



WYOMING LEGISLATIVE SERVICE OFFICE

Memorandum

DATE November 1, 2022

TO Members, Joint Education Interim Committee

FROM Matthew Willmarth, Senior School Finance Analyst

SUBJECT Estimated Impact: 23LSO-0250 School finance-regional cost adjustment

The K-12 education resource block grant model (funding model) provides an adjustment to salaries through a regional cost adjustment (RCA) to account for regional cost differences among school districts. The RCA used in the funding model is designed to provide additional resources to school districts with higher labor costs.

As a result of the 2005 recalibration, and subsequent enacting legislation, the Legislature modified the funding model's RCA to be the greater of the 2005 Hedonic Wage Index (HWI) or the Wyoming Cost-of-Living Index (WCLI), with a minimum of 100 (the statewide average) to ensure districts do not fall below the statewide average.¹ The WCLI used in the funding model is the average of the six consecutive semi-annual index reports completed by January 1 of the immediately preceding school year.² For the 2023-2024 school year, 23 school districts will have a RCA greater than 100 and of those, 20 school districts will utilize the 2005 HWI and three school districts will use the WCLI (average of the six consecutive semi-annual index reports completed by January 1 of the immediately preceding school year). The three school districts that will utilize the WCLI are Laramie County School District Number Two, Lincoln County School District Number Two, and Teton County School District Number One. The remaining 25 school districts have a RCA of 100.

The draft bill, 23LSO-0250 School finance-regional cost adjustment, modifies the funding model's RCA by amending the WCLI used as the greater of the average of the six consecutive semi-annual index reports completed by January 1 of the immediately preceding school year or the semi-annual index report completed by January 1 of the immediately preceding school year.

Under draft bill, 23LSO-0250 School finance-regional cost adjustment, 23 school districts will continue to have a RCA greater than 100, but two school districts, Lincoln County School District Number Two and Teton County School District Number One, would use the semi-annual index report completed by January 1 of the immediately preceding school year. Lincoln County School District Number Two's RCA would increase from 104 to 107 and provide an estimated increase in funding of \$650,000. Teton County School District Number One's RCA would increase from 164 to 165 and provide an estimated increase in funding of \$200,000.

¹ See 2006 Wyoming Session Laws, Chapter 37.

² The Economic Analysis Division within the Department of Administration and Information.

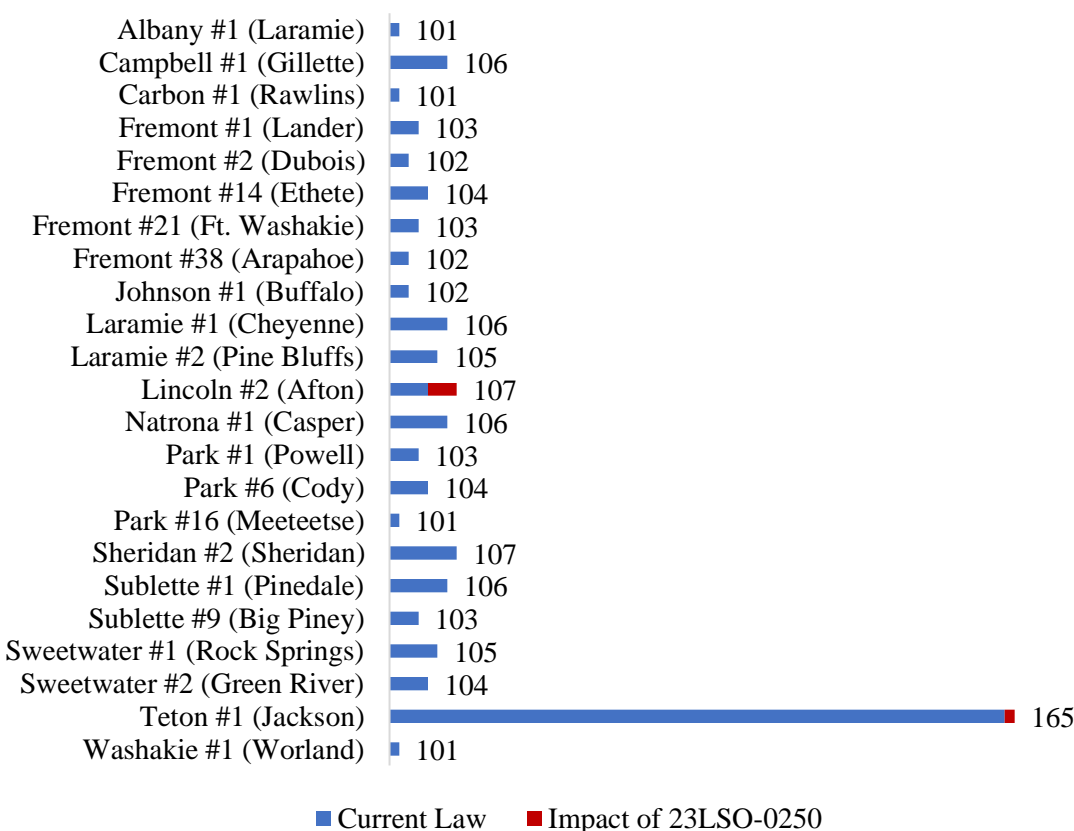
Table 1 depicts the school districts with a RCA greater than 100 and the RCA utilized under current law or 23LSO-0250 School finance-regional cost adjustment. Figure 1 illustrates the RCA for each school district with a RCA greater than 100 and the impact of 23LSO-0250 School finance-regional cost adjustment.

Table 1. School Year 2023-2024 Funding Model RCA Greater than 100.

Funding Model RCA	2005 HWI	WCLI (Avg. 6 Indices)	WCLI (2Q 2022)	Total
Current Law	20	3		23
23LSO-0250	20	1	2	23

Source: LSO analysis.

Figure 1. School Year 2023-2024 Funding Model RCA Under 23LSO-0250, Greater than 100, by School District.



Source: LSO analysis

Should you have further questions, please contact the Legislative Service Office.